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A Summary of Current Programs
and Report of Progress

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FOREIGN DEVELOPMENT AND TRADE DIVISION
of the
ECONOMIC RESEARCH SERVICE
UNITED STATES DEPARTMENT OF AGRICULTURE
and related work of the
STATE AGRICULTURAL EXPERIMENT STATIONS

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This report is primarily a tool for the use of scientists and administrators in program coordination, development and evaluation; and for use of advisory committees in program review and development of recommendations for future research programs.

The summaries of progress on U.S.D.A. research include some tentative results that have not been tested sufficiently to justify general release. Such findings, when adequately confirmed, will be released promptly through established channels. Because of this, the report is not intended for publication and should not be referred to in literature citations. Copies are distributed only to members of Department Staff, Advisory Committees and others having a special interest in the development of public agricultural research programs.

This summary includes a list of publications reporting results of research completed in the Foreign Development and Trade Division, Economic Research Service, U.S.D.A. between October 1, 1964 and September 30, 1965. Current research findings are also published in Agricultural Economics Research; Foreign Agricultural Trade of the United States; and Foreign Gold and Exchange Reserves.

UNITED STATES DEPARTMENT OF AGRICULTURE
Washington, D. C. 20250
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INTRODUCTION

Foreign development and trade research is concerned with four areas: effects of foreign economic development on agriculture; appraisal of agricultural export programs and market development; international monetary and trade analysis; and the analysis and evaluation of United States and world agricultural trade. The research objectives are the appraisal and the evaluation of the economic implications of policies and programs on U.S. foreign trade in agricultural products and the efficient use of U.S. produced food and other resources in economic development programs abroad. This information is employed in the formulation of national policies, positions, and programs in the four areas set forth above.

Research on foreign economic development and trade is carried out in the Foreign Development and Trade Division of the Economic Research Service of the U.S. Department of Agriculture. During the period of this report -- October 1, 1964 to September 30, 1965 -- approximately 40 professional man-years were devoted to research in the areas of foreign economic development and trade research, distributed as follows: 12.8 man-years to Effects of Foreign Economic Development on Agriculture; 2.0 man-years to Export Programs and Market Development; 8.0 man-years to International Monetary and Trade Research; and 9.4 man-years to Trade Statistics and Analysis.

Exports of agricultural products are of major importance to U.S. agriculture and to the U.S. balance of international payments. Total agricultural exports in 1964-65 reached a record level of \$6.1 billion. This was about the same as in 1963-64 but nearly \$1 billion above the level of 1962-63. Agricultural exports accounted for about 16 percent of total cash receipts from U.S. farm marketings. Expressed on an equivalent area basis these exports represented about 1 of every 4 harvested acres in the United States. Research in these areas has provided information needed to formulate policies, positions, and programs designed to strengthen an important segment of the nation's economic activities. A few examples from the research areas covered in this report are presented here.

Agricultural Exports Reached Record Levels in Fiscal 1964-65. U.S. agricultural exports in 1964-65 totaled slightly larger than the previous record high in 1963-64. They were 20 percent larger than the \$5.1 billion for 1962-63. Nearly all of the \$1 billion increase was in sales for dollars which rose to \$4.5 billion. Exports of Food for Peace programs of \$1.6 billion

were at nearly the same level as in the preceding year. Exports for dollars accounted for 75 percent of total exports and exports under Food for Peace programs for 25 percent. There were substantial increases in the last year over the previous year in exports of corn, soybeans, cottonseed and soybean oils, oilcake and meals and small increases for several animal products. However, these gains were almost offset by substantial declines in wheat and flour, cotton, tobacco, vegetables, meat and products, poultry meat, and rye. Exports in 1965 accounted for over half of U.S. production of wheat, milled rice, dried edible peas, and soybeans. Exports of nonfat dried milk, tallow, and hops were over 40 percent of U.S. production. Almost one-third of the production of dried prunes and cottonseed was exported.

Agricultural Exports Help U.S. Balance of Payments. Larger exports of agricultural products have helped improve the U.S. balance of payments position. During the calendar years from 1960 to 1964, agricultural exports increased from \$4.8 billion to \$6.3 billion. Nearly all of the increase was exports for dollars. In addition, foreign currencies obtained from P.L. 480, Title I sales helped finance U.S. government expenses abroad. Commercial dollar sales plus imputed dollar earnings and repayments of \$327 million from Government programs totaled \$4.9 billion in 1964, up 41 percent from 1960. Balance of payment problems would have been much more severe if foreign exchange earnings from agricultural exports had not increased.

Foreign Economic Growth Expands Market Potentials for U.S. Agricultural Products. A study published recently shows that growth in world markets for U.S. agricultural products has been related closely to economic growth abroad. During the years from 1938 to 1959-61, U.S. commercial agricultural exports to the developed countries increased 13 percent for each 10 percent rise in per capita income. U.S. commercial agricultural exports to the less developed countries increased 16 percent for each 10 percent rise in per capita income. U.S. agricultural exports averaged close to \$1 for each \$100 of income in both the developed and less developed countries in 1959-61. For example, developed countries had incomes per capita of \$700 a year and imported a little over \$6 worth of farm products per capita from the United States. The less developed countries had incomes averaging \$111 per capita and imported a little over \$1 worth of farm products per capita. Should relationships between foreign income growth and trade that prevailed during the 1938-61 period continue in the future, U.S. agricultural exports would increase from \$4.6 billion in 1959-61 to \$9.8 billion in 1980.

Agricultural Output and Productivity Increases in Developing Countries. A comparative study of changes in agricultural output and productivity and factors affecting these changes in 26 less developed countries completed recently in cooperation with the Agency for International Development, shows that many countries are increasing agricultural production by relatively high rates. But even larger increases are needed to meet growing economic demands. Between 1948 and 1963, 12 of the 26 countries studied had compound rates of increase in crop production of more than 4 percent a year. These rates surpass those achieved for equal periods of time in most economically advanced nations. Only 5 countries failed to increase crop output as rapidly as

population growth. In most of these countries, agricultural production is not keeping pace with growth in economic demands for food resulting from population growth and rising incomes. Higher crop yields are urgently needed. In the 1948-63 period, expansion in land area accounted for approximately half of the increase in crop output, but many of the less developed countries are densely populated and do not have large potentials for future expansion of land area under cultivation.

Import Demand for Meat Increases in the European Economic Community. Meat and livestock imports of the EEC have increased in the last few years. In 1966, the EEC is expected to import 1.5 million tons of meat, including the meat equivalent of livestock, or twice as much as in 1962. According to a study completed recently, meat consumption is expected to expand to 11.7 million tons in 1966 as compared with 10 million in 1962. Meat production has remained relatively constant at about 9.7 million tons since 1962 but is expected to reach 10.4 million tons in 1966. These changes in meat consumption and production in the EEC have important impacts on U.S. export markets for feed grains and livestock products.

Concessional Grain Exports Have Had Little Influence on Grain Price Movements. Increased quantities of grain have been exported under concessional export programs but these exports have had little influence on world grain prices. P.L. 480 grain shipments have gone to developing countries which have experienced declines in foreign exchange earnings and increasing needs for agricultural imports to meet food deficits. Developing countries have continued to purchase large quantities of wheat on commercial terms. Grain price levels in exporting countries have been lower than those in most grain importing countries. Governments of importing countries have been successful in insulating their producers from the effects of lower priced imported grains.

AREA NO. 1

EFFECTS OF FOREIGN ECONOMIC DEVELOPMENT ON AGRICULTURE

Problem. Economic improvement of agricultural production and marketing is a major objective of development plans of low income countries. Generally, in these countries agriculture accounts for 60-80 percent of total employment and a third or more of national income. Research is needed to provide a more accurate measure of progress made in improving agricultural output and productivity under such plans and to provide a broader basis for gauging the effects of outside assistance, especially on production, consumption and trade in farm products. Many foreign countries are reappraising or revising their agrarian structures, an issue which is becoming increasingly important in most underdeveloped countries and in which the U.S. Government is taking an increasing interest. Research is needed to analyze systematically and continuously the problems inherent in the present system of land and water resource use, of tenure and other agrarian institutions in these countries, and to bring out the probable effects of changes in the land system on their economic growth in general and their agricultural development and trade in farm products in particular. Farm production, price, and marketing programs and policies of foreign countries have important impacts on foreign trade and market outlets for U.S. farm products. Comprehensive study of these programs and policies is needed to provide an informed basis for evaluating their effects on economic growth and development of agriculture as well as of the national economy of foreign countries and for expanding market prospects for U.S. farm products.

PROGRAM

A. Role of Agriculture in Foreign Economic Development Programs. As the major sector in the economies of less developed countries, agriculture employs about 60-70 percent of the labor force and accounts for about 40-60 percent of the total national product. Because of agriculture's importance in the total economy, national economic growth is often very highly dependent upon improvements in agricultural production. Increases in agricultural productivity contribute to national economic development and income growth by producing a marketable surplus for the non-agricultural sector and by making capital and manpower available for use in industry.

Although the importance of agriculture's contributions to national economic growth is generally known, adequate knowledge about the role of agriculture in stimulating national economic growth is lacking. More knowledge is needed about the growth process before national development programs can be improved. Research under this project includes the determination and measurement of agriculture's contribution to economic growth and the relationship of these contributions to the types of development programs needed in countries at different stages of economic growth. The results of these studies will help

to establish priorities for development programs and help to evaluate the effects of economic development in less-developed countries on the demand for U.S. farm products, both current and potential.

B. Effects of Economic Development Upon Patterns of Foreign Trade. Rising incomes in many countries have increased their demand for U.S. agricultural products in recent years. Knowledge of how economic growth in countries at different stages of economic development affects the volume and consumption of imports from the United States is needed to estimate the effect of continued economic growth throughout the world on future demand for U.S. exports, both farm and non-farm. Research under this project is concerned primarily with the determination and measurement of these "income-trade" changes so that the implications and problems of the shifting patterns of foreign trade on American agriculture can be better estimated. Identification and improved measurement of the interrelationships between development and trade is a continuing objective of these studies.

C. Impact of Rural Institutions and Land Policies on Economic Development and Trade. Work in this area has shifted from that done under Line Project DTA 1-3, "Analysis of Ways of Increasing Farm Productivity to Meet World Food Needs" which is being discontinued and will now be carried out under a new Line Project, "Institutional and Cultural Conditions Affecting Growth in Agriculture in Underdeveloped Countries". Particular emphasis will be placed on how beliefs and values of rural population in different cultural settings affect the rate of adoption of new technology in an effort to find ways to use these beliefs and values to speed up the development process. Attention will continue to be given to land tenure patterns and problems, rural credit institutions, taxation, and governmental arrangements for improving education and other infrastructure, along with other factors which directly or indirectly affect agricultural productivity, rural welfare and markets for U.S. farm products.

D. Impacts of Changes in Foreign Production, Consumption and Marketing Policies on Price, Agricultural Development and Trade. Variations in the rates of growth in supply and demand of agricultural products during economic growth generates changes in prices and trade in agricultural products. In order to keep these forces in proper balance certain marketing and trade policies are developed in different countries that in turn affect both trade expansion and general economic growth. Research is needed to determine the impact of government policies relating to price control, consumption, import substitution and restriction, market structure, and urbanization trends on development and trade potentials. This material will also provide an informed basis for selecting countries with widely different economic and physical conditions and with widely different kinds of agricultural programs and policies for more detailed study.

E. Technology and Its Role in Agricultural Development with Particular Emphasis on Fertilizer. Work in this area has shifted from that done under Line Project DTA 1-3, "Analysis of Ways of Increasing Farm Productivity to

Meet World Food Needs" which is being discontinued and will now be carried out under a new Line Project, "The Role of Technology in Increasing Agricultural Output and Productivity in Less Developed Countries with Particular Emphasis on Fertilizer". Investigations are being carried out on the past and future role of fertilizer in increasing agricultural production. This analysis will assess the physical and economic potential for meeting world food needs through increased consumption of fertilizer as well as provide an improved basis for development of necessary production and distribution facilities. Analysis will also be made of restrictions to increased fertilizer production and consumption, suggesting means by which such restrictions can be overcome. Underlying this program of work is the hypothesis that improved technology usually consists of a bundle of practices rather than a change in a single practice. Therefore, while major attention is given to fertilizer, it is not studied in isolation, but rather efforts are made to evaluate the kind and nature of changes required in production practices in order to effectively introduce and/or increase the use of fertilizer.

F. Agricultural Productivity Analysis. Research on Factors Associated With Differences and Changes in Agricultural Production in Underdeveloped Countries is being conducted under an agreement between ERS and the Agency for International Development signed on March 20, 1963. Until now work has largely been devoted to a comparative analysis of the performance of the agricultural sectors in 26 countries. This phase of the study is now completed and Line Project DTA-0-0-1-AID will be revised for the second phase of the research. This phase involves intensive study in eight to ten selected countries in which one or more economists will be located for approximately two years to work in cooperation with host country research institutions in describing and measuring changes in agricultural output, associated inputs and productivity. The analysis will then be directed toward understanding why and how these changes occurred. A small group of Washington-based economists will use the results of the individual study countries to prepare a cross-country analysis of factors associated with agricultural development and evaluate the findings in terms of their implications for agricultural development policies and programs in underdeveloped countries.

G. Research Grants and Contracts Under P.L. 480. P.L. 480 research grants are supporting 13 studies: two in Finland, one in Spain, five in Israel, one in Pakistan, two in India, and two in Colombia. There was one P.L. 480 contract in the Philippines. At the end of this reporting period, 37 proposals for research studies originating in Syria, Egypt and the six above-mentioned countries were under consideration and 11 more are expected at an early date. During the past two years 25 proposals were rejected.

To qualify for grants, proposed studies must have the potential to provide research findings of "direct value to U.S. agriculture". They must contribute to one or more of the following: (1) Improved research methodology and techniques useful in analyzing U.S. agricultural economic problems; (2) help solve U.S. agricultural economic problems, or (3) supplementation

of regular ERS research studies appraising the competitive position of U.S. farm products in foreign markets. Findings from these grant studies that analyze important factors and developments affecting agricultural production, consumption and trade in specific countries are of basic importance to the ERS in discharging its functions.

Total Federal scientific effort devoted to research in this area was 12.8 professional man-years, divided as follows: 1.1 to Role of Agriculture in Foreign Economic Development Programs; 1.2 to Effects of Economic Development upon Patterns of Foreign Trade; 1.0 to Impact of Rural Institutions and Land Policies on Economic Development and Trade; 0.5 to Impacts of Foreign Production, Consumption, Price, and Marketing Policies on Agricultural Development and Trade; 0.6 to Technology and its Role in Agricultural Development with Particular Emphasis on Fertilizer; 7.6 to Agricultural Productivity Analysis; and 0.8 to Research Grants and Contracts Under P.L. 480.

H. Program of the State Agricultural Experiment Stations. The States are showing increased interest in the effects of foreign economic developments on the agriculture of the States and regions. The North Central region has a project entitled "Implications of the European Common Market for Mid-western Agriculture" in which 10 midwestern States, one northeastern, and one southern State are participating. The USDA is also providing some assistance on this project. It will attempt to estimate the impact of the Common Market upon the future export possibilities for a number of farm commodities. This will involve an analysis of the likely effect which economic union will have on production and consumption of farm products in the EEC countries, and even more importantly the impact of the EEC effort to achieve common agricultural policies, internal and external. The competitive relationship between the United States and other countries competing for markets in the European Economic Community will also be investigated. U.S. agricultural policies, what they are and what they need to be, to cope with the Common Market, will be a later but a very important phase. The study will translate the findings into implications for agricultural adjustment in the United States, especially the midwest. A midwestern experiment station has two projects dealing with the impact of economic development in foreign regions on the market for U.S. agricultural commodities and the balance of payments of this country. Historical analyses will be made of development alternatives. One study is concerned with the Middle East and the other the Far East (excluding mainland China and USSR).

The total research effort of the State stations devoted to evaluating foreign economic development is about 5.0 professional man-years.

REPORT OF PROGRESS

A. Analysis of the Role of Agriculture in Foreign Economic Development. Research under this project is directed toward identifying the relevant policies to be followed by countries in formulating strategies of development in their national programs, the mechanics of measurement of agriculture's contributions and the role of increased agricultural productivity in economic growth. The results of these studies show that it is difficult to develop precise measures for changes in agricultural productivity and the contributions that such gains make to national economic growth. Even more difficult is the problem of identifying and quantifying the conditions responsible for increased agricultural productivity and those which give impetus to the process of economic growth. Research on these factors and conditions affecting agricultural productivity is also being carried out in conjunction with work underway in (F) Agricultural Productivity Analysis.

B. Effects of Economic Development Upon Patterns of Foreign Trade. Results of a recent study on the effects of foreign economic growth and market potentials for U.S. agricultural products show that growth in world markets for U.S. agricultural products has been and will continue to be related to economic growth in other countries. For example, since 1938 commercial imports of agricultural products from the United States have increased about 16 percent for each 10 percent increase in per capita income in the less-developed countries; they increased about 13 percent for each 10 percent increase in per capita income in the developed countries. These data suggest that continuation of world economic growth over the next two decades would more than double U.S. agricultural exports from the average level of \$4 billion during the late 1950's. Furthermore, the market potential is greatest in the less-developed countries if they can achieve rapid rates of economic growth. The higher potential in the less-developed countries is associated with a more rapid growth in population and a higher income elasticity of demand for food, coupled with a more rapid growth in food demand than domestic sources can supply, even in the face of greatly improved production technology.

C. Impact of Rural Institutions and Land Policies on Economic Development and Trade. Work in this area has been carried on mainly as facets of research directed to an analysis of factors associated with differences and changes in agricultural production in underdeveloped countries as described under item F below. It has been concerned with tenure patterns, credit institutions, rural education and governmental and administrative systems and the relations of these to differences in levels and rates of change in agricultural production. In addition, work was begun to investigate the role that beliefs and values play in agricultural development.

D. Impacts of Foreign Production, Consumption, Price, and Marketing Policies on Agricultural Development and Trade. A completed study on elasticity of food consumption associated with changes in income in developing countries investigated the effect that population growth, increased per capita income and changes in food marketing channels have on food requirements in developing countries. The results of this study show that the demand for food and marketing facilities grow rapidly during the early stages of development. This greatly increases the pressure on marketing facilities, which may in turn create bottlenecks to the development process. The development of adequate marketing facilities for handling food at retail, therefore, becomes essential if inflation is to be avoided, food production increased, and agricultural trade expanded. The increased commercial demand for food in less-developed countries usually means enlarged imports of agricultural products from the U.S. and other countries.

E. Technology and Its Role in Agricultural Development With Particular Emphasis on Fertilizer. Research under this project concerns the role technology plays in agricultural development with major attention directed toward fertilizer. Patterns of world production, distribution, consumption and pricing of fertilizers are being studied in the initial approach to determine the potential role of fertilizer as a means of meeting future world food needs. To feed the world, farmers will need to vastly increase the use of fertilizer. But the successful use of fertilizer depends on a host of economic, physical, technical and social factors. The amount of fertilizer farmers may be expected to use will depend not only on expected yields but also on current prices for the crop, the cost of fertilizer, the amount of capital or credit available, conditions of land tenure and the amount of risk and uncertainty associated with farm production. If farm product prices are generally stable, farmers may invest fairly heavily in fertilizer. If extreme price changes occur from year to year, farmers are bound to take a much more cautious approach and, therefore, use much less fertilizer.

F. Agricultural Productivity Analysis. Research directed to "Analysis of Factors Associated with Differences and Changes in Agricultural Production in Underdeveloped Countries" is carried in two main phases: Phase A consisting of a comparative analysis of recent changes in agricultural output, resource uses, and related technological, economic, social and institutional factors in 26 countries; and Phase B consisting of intensive analyses in 8 to 10 countries concerned with the processes by which underdeveloped countries make the transition from low to higher levels of agricultural output and productivity.

Phase A has been completed and Phase B is well underway. Research economists are now stationed in Greece, Mexico and Nigeria. Studies will begin in Brazil and India shortly. Plans are that personnel will arrive in Colombia, Tunisia and Turkey to begin studies in these countries in the early part of calendar year 1966. The Taiwan analysis has been completed and the final report of the development of the agricultural economy of

Taiwan is now being written. Concurrent with these activities, a small staff in Washington assists in planning and coordinating individual country studies with a view to using these country findings for a cross-country comparative analysis of factors related to agricultural development.

G. Research Contracts and Grants under P.L. 480. Contracts and grants supported 14 studies in foreign countries during the year. The contract for Line Project A18-DTA-1(a) "Economic Analysis of the Effects of Philippine Economic Development on the Demand for U.S. Farm Products", Project No. 311343-54, expired in May 1965. A draft report has been received and 100 copies of the final report will be delivered to ERS upon publication.

Research projects underway in foreign countries are as follows:

India

- (1) Impact of Changing Conditions on Grain Marketing Institutions and Structure of Grain Markets in the Punjab, India;
- (2) Evaluation of the Impact of Land Reforms on the Structure of Land Holdings and Farm Production Potentials in Western India;

Israel

- (3) Social Factors Which Promote or Impede Changes in Agricultural Organization and Production in Israel;
- (4) Evaluation of Long-Term Programs for Agriculture With Respect to Requirements and Supply of Capital in Israel;
- (5) Quantitative Analysis of Optimal Water Resource Development and Allocation in Israel;
- (6) Comparative Analysis of Processes of Agricultural Development and Modernization in Israel;
- (7) Methods of Compilation of Agricultural Statistics in Israel;

Pakistan

- (8) Income Elasticity of Demand for Food Under Progressing Stages of Agricultural Development in Pakistan;

Finland

- (9) The Relation of Planning and Management to Success in Farming in Finland;
- (10) The Economics of Alternative Use of Land for Agriculture and Forestry in Finland;

Spain

- (11) Food Consumption in Relation to Family Income in the Rural Population in Spain;

Colombia

- (12) Marketing Rice in Colombia; and
- (13) Economic Aspects of the Production, Marketing and Utilization of Corn and Other Feed Grains in Colombia.

AREA NO. 1--EFFECTS OF FOREIGN ECONOMIC DEVELOPMENT ON AGRICULTURE

PUBLICATIONS

- (1) Bachman, Kenneth L. Can We Produce Enough Food? American Society of Agronomy Special Publication No. 6, Feb. 1965.
- (2) _____. Agricultural Economics and Technical Aid in Foreign Development. Address presented at the 1965 annual meeting of the American Farm Economic Association and published in Journal of Farm Economics, Vol. 47, No. 5, Dec. 1965.
- (3) Christensen, Raymond P. Economic Progress of Agriculture in Less Developed Countries. Paper presented at Conference on the Economic Development of Agriculture, Iowa State University, Nov. 1964.
- (4) Gregory, Wade F. Transforming Traditional Agriculture. Paper presented at the International Meetings of the Society for International Development, Washington, D.C., Nov. 1964.
- (5) Hendrix, W.E. Observations on Recent Experiences in Increasing Agricultural Output in More Rapidly Developing Countries. Paper presented at Conference on the Economic Development of Agriculture, Iowa State University, Nov. 1964.
- (6) Hendrix, W.E.; Gadsby, Dwight M.; Moore, Clarence A.; Nicholls, David; Oweis, Jiriyis; Steward, Donald; Turns, Jane; and Yee, Harold. Changes in Agriculture in 26 Developing Nations, 1948-1963. Economic Research Service, For. Agr. Econ. Rpt. Nov. 1965.
- (7) Mackie, Arthur B. Foreign Economic Growth and Market Potentials for United States Agricultural Products. For. Agr. Econ. Rpt. No. 24, Apr. 1965, 76 pp.
- (8) _____. Relation of Economic Growth and Trade. Paper presented at Conference on the Economic Development of Agriculture, Iowa State University, Nov. 1964.
- (9) Stevens, Robert D. Elasticity of Food Consumption Associated with Changes in Income in Developing Countries. For. Agr. Econ. Rpt. No. 23, Mar. 1965, 85 pp.

AREA NO. 2

EXPORT PROGRAMS AND MARKET DEVELOPMENT

Problem. Food for Peace shipments averaging in excess of \$1.5 billion annually continued to account for over one-fourth of total U.S. agricultural exports. In addition, an estimated 23 percent of the \$4.4 billion of commercial agricultural exports in 1965 received some form of export payment assistance. With special agricultural export programs continuing to be so important, currently accounting for nearly one-half of the net flow of U.S. foreign economic assistance to the developing countries, there is urgent need to continue analysis and evaluation of the impact of these programs on U.S. agriculture and their implications to agricultural production, consumption, trade and development in the recipient countries. There is also need for studying and analyzing foreign marketing and distribution systems in the developing countries for the purpose of facilitating the utilization of commodities imported from the United States.

Since food aid programs are expected to continue to play an important role in alleviating world hunger and promoting political stability and foreign economic development in the years ahead, research on the economic implications of this aid will be needed more and more to assess: (1) the effect of Food for Peace shipments on commercial trade of the United States and third country exporters, (2) the relative cost and benefits of alternative government export programs, (3) the use of surplus agricultural productive capacity to facilitate domestic and foreign economic development, and (4) the effect of agricultural commodity aid on the efficient use of agricultural resources and its relationship to farm incomes in both the United States and recipient countries.

PROGRAM

A. Effects of Public Law 480 Programs in Recipient Countries. Emphasis in 1965 has been given to completion of individual country studies on the commodity and economic impact of the P.L. 480 Title I and related Food for Peace programs in India, Turkey, Greece, and Spain. These studies were concerned with the analysis and evaluation of the effects of Public Law 480 imports on national agricultural policies and programs, prices and stabilization programs, consumption, commercial trade, and international trade patterns. The country studies are being done in cooperation with the Foreign Agricultural Service in which Title I local currency market development funds are used. Additional country analyses are made by the staff as the need arises and time permits. Increased attention has been directed to an overall evaluation of the functional aspects of P.L. 480 programs as they relate to: (1) agricultural prices, production and consumption in recipient countries, (2) commercial trade of the United States and other countries,

including trade patterns and balance of payment problems, and (3) the use of P.L. 480 local currency loans and grants in support of economic development programs.

B. The Role of Food Aid in Economic Development. Limited appraisals of the contribution of P.L. 480 programs to international aid and development have been continued. With agricultural commodity aid programs currently accounting for nearly one-half of the net outflow of U.S. economic assistance to the developing countries, research in this area is especially important to provide guides for increasing the effectiveness of Food for Peace distributions in foreign economic development programs.

C. Interrelationships of Domestic and U.S. Export Programs. Important aspects of this research deals with: (1) foreign pricing and production policies including the analysis of selected U.S. commodity export prices, domestic price supports, and their relationship to consumer prices and price support levels in selected P.L. 480 recipient countries, and (2) the effects of national pricing and trade policies on international trade. Specific research in this general area is needed to appraise the economic relationships of U.S. domestic and export pricing policies and those of P.L. 480 and other importing countries as a basis for determining the differences between export and import prices and their impact upon achieving an efficient use of agricultural resources.

D. Changes in Marketing Structures Needed for More Effective Utilization of U.S. Imported Commodities. Preliminary consideration has been given to the development of research guidelines for the study and analysis of foreign marketing and distribution systems. This research is concerned with the analysis of: (1) the adequacy of storage, refrigeration, transportation, port, and processing facilities; (2) capital requirements for progressive development of marketing structures; (3) analysis of marketing and distribution costs and margins; (4) political and administrative problems in improving food distribution systems; and (5) the rate at which marketing improvements may be instituted within the framework of existing systems.

Total Federal scientific effort devoted to research in this area was 2.0 professional man-years, divided as follows: 1.0 to Effects of P.L. 480 on Economic Development and Trade; 0.3 to Role of Food Aid in Economic Development; 0.5 to Interrelationships of Domestic and U.S. Export Programs; and 0.2 to Changes in Marketing Structures Needed for More Effective Utilization of U.S. Imported Commodities.

E. Program of the State Agricultural Experiment Stations. Two States have projects in this area. Both are evaluations of the impact of United States agricultural export programs on domestic agriculture and related industries. They deal especially with the P.L. 480 program, but also analyze the history of United States proposals and programs to subsidize its agricultural products in the world markets. The research will appraise the impact of governmentally stimulated exports on the nonagricultural sector and

determine the net economic benefits of such programs on the total economy of the United States through an evaluation of the inter-sector economic transfers within the economy. One of the studies emphasizes the impact of the surplus disposal program on the agricultural and related industries of the individual State. The total research effort is about 1.0 professional man-year.

REPORT OF PROGRESS

A. Effects of Public Law 480 Programs in Recipient Countries. The comprehensive reports on the analysis and assessment of the P.L. 480 programs in India, Turkey, and Greece were reviewed and evaluated by the ERS staff and other agencies concerned with these programs in USDA. After transmittal of the USDA evaluations and appraisals to the contractors in the respective countries, agreements have been worked out for each of these research studies to be published by the contracting agencies. The research study in Spain was delayed and an extension of time was granted. The final report is being submitted by chapters as rapidly as it is translated.

A report entitled, "Impact of Public Law 480 Title I Imports on Domestic Agriculture in Recipient Countries," summarizes some of the major findings of the individual country studies. This report is in the process of review and will be submitted for publication.

B. The Role of Food Aid in Economic Development. A report on "The Role of Agricultural Commodity Assistance in International Aid Programs" traced the use of agricultural commodities in the U.S. foreign economic programs from the early post-World War II period through 1964. This report concluded that in recent years the P.L. 480 Title I program has facilitated international trade, enabling many countries with scarce foreign exchange reserves to increase their agricultural imports without seriously reducing capital imports needed for overall economic development. In helping economic development it also revealed that P.L. 480 programs actually helped in the development of potential commercial markets for U.S. farm products in several countries. For example, increases in per capita income and foreign exchange reserves in five Title I recipient countries--Spain, Israel, Greece, Taiwan, and Poland--have recently enabled these countries to increase significantly their commercial purchases of U.S. farm products. This report also reviewed: (1) the extension of food aid supplied by other developed countries, (2) progress of the World Food Program in the implementation of pilot projects in social and economic development, and (3) the future role of agricultural commodity aid.

C. Interrelationships of Domestic and U.S. Export Programs. A report was prepared on "World Grain Trade and Pricing Policies and Their Effects Upon International Trade." This report covers the following topics: (1) post-war trends in the world grain trade, (2) development and scope of national grain pricing and trade regulations, (3) disparities between domestic and world grain price levels in exporting and importing countries, (4) the

structuring of marketing systems within the framework of national food and pricing policies, (5) the effects of P.L. 480 programs on international trade policies on world trade, and (7) international cooperation in the world grain trade. The basic report was submitted to the North Central Regional Research Committee on Grain Marketing for inclusion in a proposed book to be published on grain marketing. At the invitation of the North Central Regional Research Committee, a paper on international grain marketing was presented at "A Symposium On the Structure, Conduct and Performance of the Grain Markets of the United States" held in Lincoln, Nebraska, June 1-3, 1965.

D. Changes in Marketing Structures Needed for More Effective Utilization of U.S. Imported Commodities. Progress has been made in development of research guidelines to analyze needed improvements in marketing and distribution of imported commodities in India, Pakistan, and Korea. It is planned to develop research proposals that may be initiated in cooperation with the Foreign Agricultural Service.

AREA NO. 2--EXPORT PROGRAMS AND MARKET DEVELOPMENT

PUBLICATIONS

(1) Barlow, Jr., Frank D. and Libbin, Susan A. The Role of Agricultural Commodity Assistance in International Aid Programs. ERS-For. 118, Mar. 1965, 26 pp.

(2) Barlow, Jr., Frank D. and Libbin, Susan A. World Grain Trade and Pricing Policies and Their Effects Upon International Trade. Speech presented at "A Symposium on the Structure, Conduct and Performance of the Grain Markets of the United States," Lincoln, Nebr., June 1965, 24 pp.

AREA NO. 3

INTERNATIONAL MONETARY AND TRADE RESEARCH

Problem. U. S. agricultural exports have an important role in the present and prospective balance of payments problems. This role involves both exports for dollars and concessional sales. Continuation of P.L. 480 programs and development activities by many U.S. and international agencies makes it necessary to analyze the monetary and financial aspects of these programs from the viewpoints of both the effects on the recipient countries and United States agricultural exports. Constant reviews and analysis are needed of economic data obtained from dispersed sources such as U.S. foreign service reports, the international financial institutions-- such as the International Monetary Fund, the International Bank for Reconstruction and Development, and the Inter-American Development Bank. These analyses are essential to support the Department's position in interagency discussions leading to the adoption of programs carried out by the United States.

Although progress in regionalization in Europe is somewhat uncertain, the trend toward regionalization continues in the world. Recently, appeals have been made for a Common Market of Latin America which would embrace both the Latin American Free Trade Area and the Central American Common Market.

The development of an Oceania Common Market is seriously being considered. These latter developments along with the development of the European Economic Community and the European Free Trade Area are of vital importance to the agriculture of the United States. The process of regionalization has potential to alter the relation of supply of indigenous agricultural production, as well as the demand for agricultural products. Regionalization often involves changes in GATT obligations and therefore, has important implications for access of U.S. farm products in the foreign markets.

International Commodity Agreements have been advocated often as a means of liberalizing and stimulating trade and economic development. While there has been a great deal of discussion of international commodity agreements, little work has been done on identifying alternatives to suggested provisions of commodity agreements, and even less work has been carried out in evaluating the effects of alternative provisions of such agreements themselves. But realistic identification of alternative provisions and adequate appraisal of their possible effects require information on and estimate of the structural features of the international markets involved. Such factors as pricing behavior, border protection measures, price variability and trends, characteristics of product, grades and standards, market information availability, elasticities of supplies and demands, shifts of supplies and demand functions and elasticities of substitution, must be ascertained in order to adequately appraise international commodity agreements.

PROGRAM

A. Analyses of External Financial Position of P.L. 480 Recipient Countries.

Economic analyses are required for each country requesting P.L. 480 assistance. These reports consist of: (1) the external financial position of the country with respect to its balance of payments foreign exchange position; (2) internal economic situation, i.e., price stability, growth trend, per capita income, investment climate, and monetary and fiscal developments and policies; and (3) recommendations as to the type of P.L. 480 program which is preferable, given the financial position of the country, the U.S. balance of payments position, and the legal parameters under which the programs are operated.

B. P.L. 480 Transactions Entering the U.S. Balance of Payments. The importance of this project arises from the changing conceptual treatment and interpretations associated with social accounting techniques and the present U.S. efforts to correct the balance of payments problem. In 1964, P.L. 480 transactions totaling \$1.6 billion entered the U.S. payments accounts. The methodology employed in tracing the entry of P.L. 480 transactions in the payment accounts will follow the basic social accounting techniques developed for the statistical presentation of a balance of international payments statement. Basic data on P.L. 480 to be utilized will be obtained from several U.S. Government agencies, but primarily from the U.S. Department of Agriculture records on summarized transactions. A concurrent objective is to investigate the significance of P.L. 480 to the nation's total foreign assistance program.

C. Agricultural Development Banks. Agricultural credit institutions and credit availabilities in developing countries have a particular relevancy to U.S. aid efforts to enhance economic growth. In general, credit institutions in these countries are established to meet the investment needs in both the industrial and agricultural sectors. More needs to be known on comparative aspects of agricultural development banks, their function and organization, policies and utilization of loan funds between these widely different geographic regions.

D. International Commodity Agreements. The United States Government in international forums is increasingly called upon to take a position on agricultural commodity agreements. The economic and political ramifications of such agreements and their effect on U.S. agricultural trade need to be ascertained and considered. Realistic identification of alternative provisions and adequate appraisal of their possible effects require information on and estimates of the structural features of the international markets involved. One related facet of such agreements needed is a clear and concise analysis of agricultural commodity prices during the postwar period. Not only should current prices be analyzed, but their relation to the historical trend and degree of fluctuation should be considered. The analyses by the Food and Agriculture Organization (FAO) emphasize current changes and their historical analyses usually cover only the period since 1952-53. Nevertheless, their material is extremely useful and a continuous review of it is imperative.

E. Regionalization and U.S. Trade. The formation and strengthening of associations of nations around the world poses potential threats to the export trade of the United States. Studies in this area are concerned with obtaining estimates for these regions of the relationships between output and utilization of agricultural commodities and analyses of the changing agricultural prices, marketing policies, structures and programs brought about by the process of regionalization.

Particularly relevant to the potential impact of the EEC are developments in the feed-livestock economies of the EEC member countries and the potential import demand for oilseeds and oilseed products.

F. Special Economic Analyses. Studies on financial and monetary aspects of agricultural programs on an international level are conducted and featured in the determination of the Department's positions and policies. These studies analyze financial and monetary factors which affect U.S. and world agricultural trade, and evaluate U.S. economic and agricultural assistance programs in developing nations. Special attention is paid to foreign financial activities such as changes in monetary policies of individual nations and to the financial aspects of the common markets of the world: EEC, LAFTA, and CACM.

Total federal scientific effort devoted to research in the monetary and the trade research areas was 8.0 man-years, divided as follows: 4.0 to Regionalization and U.S. Trade; 1.0 to International Commodity Agreements; 0.5 to Agricultural Credits and Development; 1.5 to P.L. 480 Financing of U.S. Agricultural Commodities; and 0.5 to the Area Committee for GATT "Kennedy Round" Negotiations.

REPORT OF PROGRESS

A. Analyses of External Financial Positions of P.L. 480 Recipient Countries. On a continuing basis, detailed recommendations are made concerning surplus agricultural disposal under P.L. 480 for developing countries. Special analyses are made to determine the type of program that would best serve the commercial interests of the U.S. and at the same time provide the most benefit to the recipient country. These analyses are prepared either upon the request of FAS or at the initiative of the Branch according to the exigencies of the current situation. In addition to individual narrative analyses, a set of current statistical figures is provided on the country's balance of payments, trade and import arrangements, and the status of U.S.-held local currencies and operative needs within the country. In the conduct of these specific investigations, general policy recommendations with respect to the conduct of surplus disposal programs are developed for use in interagency meetings.

B. P.L. 480 Transactions Ending the U.S. Balance of Payments; Relationship to Total U.S. Foreign Assistance. Farm product export earnings on merchandise and services obtained through transactions authorized under P.L. 480 totaled \$1.6 million in 1964. One P.L. 480 transaction emphasized frequently--the share of foreign currencies obtained through Title I sales used to purchase goods and services abroad by the U.S. Government--results in curbing

additional U.S. dollar outflows. In 1964, foreign currencies amounting to \$222 million equivalent were spent in lieu of dollars abroad by the U.S. Government. For the period 1955-63, expenditures in foreign currencies amounted to \$973 million representing 13 percent of cumulative Title I sales receipts of \$7.6 billion. For the decade 1954 through 1963, net U.S. foreign assistance under P.L. 480 represented 21 percent of total (net) U.S. foreign assistance of \$46.5 billion, excluding investments in international institutions. Initial research of earlier investigation and preliminary results of the present inquiry reveals that the entire amount of P.L. 480 transactions as recorded leads to no dollar outflow and may on balance result in an admittedly small surplus.

C. Agricultural Development Banks. Analysis of activities of agricultural development banks have received increasing attention in connection with the Branch's role in interdepartmental discussion of U.S. international financial commitments to credit institutions in developing countries. The funds held by these credit institutions whether obtained from internal or external borrowing or both have significant effects on the developing country's internal economy and external financial position. The role of agricultural credit banks and their relative position within the economy of a developing country or their importance to countries of a geographic region cooperating to advance the area's economic growth are receiving, generally, a large part of their financial resources from the United States. Work is carried out to ascertain the amount and direction of U.S. financial assistance for this purpose in the developing countries. The study on the potential effects of agricultural development banks in Israel, Greece, Turkey, and Yugoslavia was phased out.

D. International Commodity Agreements. In recent years much emphasis has been given to the problems of the less-developed nations of the world. The following two problems are of particular concern: the chronic shortage of their foreign exchange reserves and the insufficiency of their diets. Tropical agricultural product exports are a major source of foreign exchange earnings in most of the less-developed nations. Agricultural products from the temperate zone might be imported to provide the people of the less-developed nations with a sufficient diet. In light of these conditions, a study was initiated and completed on the long-term movements in the postwar period of export prices of the major farm commodities shipped from each of the 2 climatic zones. The trends and fluctuations of these prices from 1947 through 1962 were analyzed. Four conclusions were reached through this analysis: (1) For the 1947-1962 period, prices for major agricultural commodities from the less-developed nations on the average showed no long-term declines. Although several commodities showed some long-term declines, the degree of decline was not as large as it was for a number of commodities from the highly developed nations. (2) In general, prices of major commodities from the highly developed nations declined rather steadily at about 2 percent a year during 1947-1962. (3) In the years 1954-1962, prices of major agricultural commodities from the less-developed nations underwent a general and significant decline. (4) Prices of the major commodities from the less-developed nations fluctuated considerably more than did those from the highly-developed nations. However, the degree of fluctuation for both areas was less for the past 9 years than it was for the overall period.

E. Regionalization and U.S. Trade. A report based on an analysis of meat production and consumption in the European Economic Community with projections of EEC meat import needs to 1966 has been completed and is due for publication shortly. A study of the EEC grain-livestock economy from 1950 to the present has also been completed and is scheduled for publication. The prospect for increasing beef and veal production in Italy was studied on the spot through visits to a sample of Italian farms and an internal report prepared. A special task force composed of personnel from several ERS Divisions prepared a compendium of basic statistics of the EEC grain-livestock economy which was published in November 1964 as Statistical Bulletin No. 351, and a companion graphic analysis containing key EEC time series on production and consumption and trade during 1950-62 has been completed and will be published shortly. Work has been initiated on developing a framework for analysis of the derived demand for feed grains in the EEC. This research will involve estimation of the structural relations influencing this demand. Work is also under way to (1) analyze the developments of intra-regional trade of the EEC and (2) to analyze the potential relation of the European Guaranty and Guidance Fund for Agriculture to the national programs presently in existence.

P.L. 480 market development funds are being used to evaluate and project through 1970 the import demand for oilseeds and oilseed products in the European Economic Community. A demand analysis coupled with a supply analysis for each of the oilseed and substitute products has facilitated evaluation of the import needs within the Community. The present and potential trade gap has been studied in lieu of the changes occurring in prices, population, and government policies. Particular attention has been given to the effect of the independent variables--such as price--on the export market for U.S. soybeans and/or soybean products in the countries of the European Economic Community. Estimates indicate that 1970 total EEC consumption of fats and oils will be over 10 percent above 1961-63 levels and EEC consumption of oilseed meal will be up 50 percent. The first draft of the final report on this proposal in the form of a preliminary draft was received early in September 1965. Preparations for publication are underway.

Work is proceeding under two contracts for the study of the feed-livestock industry of the EEC: (1) analysis of the livestock and grain economy of France using data obtained from individual French farms, with submission of a final report set for the current fiscal year; and (2) investigation of four principal aspects of the EEC livestock-feed economy: changes in the livestock-feed economies of Southern and Northern EEC, respectively, using individual farm data; changes in prices and marketing of grain; and regional adjustments in the EEC livestock-feed economy and their effects on foreign trade patterns.

This latter project is scheduled for completion in 1967.

F. Special Economic Analyses. Special studies on financial and monetary aspects of international and foreign agricultural programs were developed to assist in determining U.S. agricultural policy. The expansion of the Branch's

duties with respect to U.S. economic assistance programs led to increased participation in policy recommendations on agricultural matters of the National Advisory Council and at the Development Loan Staff Committee. The continuing balance-of-payments problems of the U.S. and other developed nations led to comparative analyses and highly technical evaluations of U.S. agricultural programs as they applied to world agricultural activities. Many additional studies were required with the financial crises of developing nations in Latin America and Asia and with the new nations in Africa and their attendant monetary and financial development. Increased attention has been given to the financial aspects of common markets in the world, such as the EEC and LAFTA, with special attention to U.S. agricultural interest in the Central American Common Market.

AREA NO. 3--INTERNATIONAL MONETARY AND TRADE RESEARCH
PUBLICATIONS

- (1) Goolsby, O. Halbert. Price Changes of Major Temperate and Tropical Zone Agricultural Exports, 1947-1962. Foreign Agricultural Trade of the United States, Feb. 1965. (Reprinted as ERS-For. 112, 12 pp.).
- (2) _____. Changes in Prices and Export Earnings of Major Agricultural Exports, 1947-1963. Economic Research Service, October 1965.
- (3) O'Donnell, P.E., Abel, M.E., Blaich, O.P., and Brown, R.N. The Grain-Livestock Economy of the European Economic Community: A Compendium of Basic Statistics. Statis. Bul. No. 351, Nov. 1964, 88 pp.
- (4) Regier, D.W., Brown, R.N., Hexem, R.W., and Huth, W.P. Meat Import Prospects of the European Economic Community, 1965 and 1966. Economic Research Service, October 1965.
- (5) Rice, G.P. Foreign Gold and Exchange Reserves: Current Trends in International Liquidity. Economic Research Service, October 1965, 8 pp.

AREA NO. 4

TRADE STATISTICS AND ANALYSIS

Problem. U.S. agricultural exports were \$6.1 billion a year during the last two fiscal years, 1964 and 1965. Agricultural exports were \$1 billion or one-fifth larger than during each of the two preceding years, 1962 and 1963. Practically all of the increase from the earlier to the most recent two-year period was in commercial sales for dollars; these averaged \$4.5 billion and were almost three-fourths of the total. Agricultural exports during the fiscal year 1965 were \$2.1 billion larger than agricultural imports. This export balance is a new record high, significantly above the \$2 billion level achieved in 1964. The balance of trade has been highly favorable for the past several years reflecting the pronounced upward trend in agricultural exports. During the last 2 years the foreign market was an outlet for the production of one out of every 4 acres harvested in the United States. It is of concern to the United States that U.S. agricultural exports be maintained on an upward trend. Continuing studies are needed to determine whether or not the United States is sharing in the benefits from growing world markets and to determine the policies and actions needed to assure a continuous growth in U.S. farm product exports.

The absence of France from meetings of the European Economic Community (EEC) since July has created uncertainties about the character and the speed of EEC agricultural economic integration. The long-run outlook appears less clear than it did earlier this year following the December 1964 agreement of the EEC countries on a unified grain price level to take effect in mid-1967. These developments, the British currency crisis which resulted in an emphasis on greater agricultural self-sufficiency, the continuing erosion of the most-favored-nation principle in international trade, and other developments will have a significant impact on U.S. agricultural exports. Also in view of growing interest in broader use of international commodity agreements, studies need to be made to determine likely benefits and costs which may be experienced by the United States within the framework of such agreements. These developments must be continually followed, analyzed, and information about them made available to those concerned with the maintenance and expansion of U.S. agricultural exports.

A continuing analysis of U.S. agricultural trade, including Food for Peace shipments, is needed to detect trade trends and problems and to determine the relevant economic and other factors that affect this trade. This information is used to provide agricultural producers, trade groups, and Government officials with a flow of statistics and interpretative reports on the status of and the outlook for U.S. agricultural exports and imports. These statistics and interpretative reports are used in the formulation of policies, positions, and programs in the area of foreign marketing of U.S. farm products and of competition, both at home and abroad, from foreign

farm products. Some of these areas are the expansion of commercial foreign markets for the nation's agricultural abundance, adjustment of domestic price support programs and production controls to domestic and foreign demand, import fees and quotas to restrict imports detrimental to U.S. agriculture, trade agreement concessions to open new markets for agricultural products, the U.S. Food for Peace Program to share the nation's bounty with friendly people abroad, and export payments where needed, to help make U.S. farm products competitive in world markets. More timely, precise and complete statistical data (including foreign price series) can improve the scope and depth of interpretations used in arriving at decisions on these and other problems facing U.S. agriculture.

PROGRAM

A. U.S. Agricultural Trade Statistics. This program involves the assembly, tabulation, and summarization of U.S. agricultural export and import statistics, as well as interpretations of agricultural trade by commodity, by country, commodity-by-country, and country-by-commodity. The basic data for the program are purchased from the Bureau of the Census in the form of electronic computer runs which that agency obtains from shippers' export and import declarations.

Studies of the effects of the European Economic Community on U.S. agricultural trade are concerned with the implications of the European Common Market for U.S. agriculture and how farm price and protection policies followed by the Common Market countries will affect prices, production, and consumption of farm products in these countries and thus influence U.S. farm export markets.

B. U.S. Agricultural Trade Situation. Estimates of U.S. agricultural exports and imports for current and future periods are developed. These are based upon U.S. agricultural trade statistics and upon their projection through regular consultation and cooperation with various subject-matter specialists in commodity, regional, and program operations, and daily research into news and other informational media. They serve as the backbone of a continuing analysis of U.S. agricultural trade. Export estimates are undertaken monthly and annually; import estimates, annually; and Food for Peace estimates, quarterly and annually.

The monthly estimates are in the form of a determination of the quantity and value of U.S. exports by principal commodities and major commodity groups. Connected with these estimates is an analysis of the factors and developments accounting for changes in agricultural exports compared with previous periods. In addition, an evaluation of the quantity and value of U.S. agricultural imports, competitive (supplementary) and noncompetitive (complementary) with domestic production is undertaken.

Annual appraisals of U.S. agricultural trade (calendar and fiscal year) include Food for Peace shipments and total U.S. agricultural exports. Studies are made of the magnitude and trend of commercial exports for dollars. The continuing program includes the determination and appraisal of the value of

foreign trade; quantity indexes of foreign agricultural trade; value of trade for selected commodities and groups; value of trade by countries of destination; and quantity and value of trade with specified countries and in principal agricultural products.

Considerable effort is devoted to the development of statistics showing the shares of the individual States in U.S. agricultural exports.

C. World Agricultural Trade Statistics. In response to the need for information on the agricultural trade of other countries, a new statistical program is being established. This program, like that for U.S. foreign agricultural trade, will provide quarterly and annual data on the agricultural exports and imports of the world's major trading countries. The basic data are purchased from the Organization for Economic Cooperation and Development (OECD) in Paris and from the United Nations Statistical Center in New York in the form of magnetic tapes. Summaries of exports and imports, commodity-by-country and country-by-commodity are being prepared for publication and will serve in interpretations of the current situation and of the outlook for U.S. agricultural trade and its competitive position in major world markets.

Separate studies will be made of the agricultural trade of certain trade blocs such as the European Economic Community, the European Free Trade Association, the Latin American Free Trade Association, and the Central American Common Market to show the relative position of U.S. trade as economic integration proceeds.

D. Exports Under Food for Peace (Government-financed) Programs. A quarterly review of U.S. agricultural Food for Peace shipments by commodity is made. It includes an evaluation of the principal developments affecting such exports, as well as commercial sales for dollars. An annual evaluation is made on a fiscal year basis of the extent of assistance to U.S. agricultural exports by means of export payments in cash or in kind or by the sale of exports of agricultural commodities from Government-owned stocks at less-than-domestic market prices. This analysis distinguishes between (1) commercial sales for dollars and exports under Government-financed programs which receive export payments assistance, and (2) dollar sales and program shipments which do not receive this form of assistance. The total value of such payments is also determined. An annual appraisal is made of U.S. agricultural trade by country for fiscal and calendar years. This report distinguishes Food for Peace exports by 6 specified programs, commercial sales for dollars and total U.S. agricultural exports. Special studies are made of the magnitude and trend of program and commercial exports to provide information for developing new policies, programs, the establishment of attache posts, and export promotion activities for dollar sales.

E. Analysis of World Agricultural Prices. This program involves the compilation and analysis of international prices for important agricultural commodities to determine the relationship of these prices to the level of U.S. agricultural exports, especially commercial sales for dollars. Using

all available sources, such as the Food and Agriculture Organization, the European Economic Community, the Organization for Economic Cooperation and Development, and trade and official data from individual countries, tabulations of prices for major commodities accounting for the bulk of U.S. agricultural trade are made. The price series assembled are used to prepare analytical reviews of price trends in principal world markets. Particular emphasis has been placed on price and variable import levy series in the European Economic Community to show the competitive position of U.S. farm products in this trade area.

Series of price and quantity index numbers summarizing U.S. agricultural exports and imports are in preparation. Development of a series of agricultural price index numbers is in the planning stage.

F. Estimation of Costs and Benefits of Agricultural Protectionism. A two-year grant for economic research to be conducted by the University of Minnesota was made in June 1964. This research is designed to (1) evaluate alternative techniques for measuring the influence of national agricultural and trade policies on the direction and volume of trade in temperate zone agricultural commodities, (2) assess the costs and benefits from agricultural protectionism on a selected commodity and country basis in the North Atlantic Community and (3) develop and evaluate several alternative forms of international commodity arrangements aimed at reducing conflicts between domestic agricultural support and foreign trade in products of the grain-livestock economy.

Total federally financed scientific effort devoted to research in this area during the fiscal year 1965 was 9.4 professional man-years, divided as follows: 1.0 to program leadership, 3.7 to U.S. trade statistics and analysis, 2.2 to world trade statistics and analysis, 1.5 to Food for Peace Program, 1.0 to world agricultural prices, and 1.5 to Estimation of Costs and Benefits of Agricultural Protectionism.

G. Program of the State Agricultural Experiment Stations. There are two projects at the State stations in this area. One project seeks to describe changes in the volume, origins, and destinations of agricultural exports and imports. It analyzes the influence of private trade practices and governmental policies and programs on relative prices and volume flows for agricultural commodities in foreign markets. It is especially concerned with the potential of foreign markets for West Coast agricultural products. The second study is an assessment of the intensity and direction of emphasis that is likely to be placed on agriculture in future national and regional planning by advanced nations. The objective is an investigation of the manner by which national and regional agricultural policies in developed countries may be reconciled to minimize conflicts in objectives and identify the role agriculture is likely to have in the future development of such economies.

Approximately 1.2 of a professional man-year is being devoted to this field of study.

REPORT OF PROGRESS

A. U.S. Agricultural Trade Statistics

Agricultural Exports at Record Level of \$6.1 Billion in Fiscal Year 1965.

At \$6,096 million, U.S. agricultural exports during the fiscal year 1965 slightly exceeded the past record of \$6,067 million during the preceding year. The annual rate of exports during both years exceeded that of the 2 preceding years, 1962 and 1963, by \$1 billion or one-fifth. The fiscal year 1965 performance was dominated by substantial rises in U.S. exports of corn, soybeans, cottonseed and soybean oils, as well as oilcake and meal with smaller increases for several animal products. However, these gains were almost offset by substantial declines in wheat and flour, cotton, tobacco, vegetables, meat and products, poultry meat, and rye.

Agricultural Imports Decline Slightly in Fiscal Year 1965. Agricultural imports of \$3,988 million during the fiscal year 1965 declined by \$108 million or 3 percent from the preceding year. Imports of meats and meat products alone declined by \$117 million as a result of increased demand for beef and veal in Western Europe and of a relatively large production in the United States. Sugar imports also declined by slightly over \$100 million, in spite of a larger tonnage of imports, as sugar prices returned to normal levels. These and some lesser declines were partially offset by increases in apparel wool and oilseeds and products (copra and tropical oils), the effect of a revised method in the valuation of bananas, and other lesser increases.

B. U.S. Agricultural Trade Situation

Export Market Benefits Many U.S. Farmers. About 70 million acres were required to produce the various agricultural commodities exported in fiscal year 1965. This is equivalent to 1 out of every 4 harvested acres in the United States. On a value basis, agricultural exports continued to be equivalent to 16 percent of total cash receipts from U.S. farm marketings, as in fiscal year 1964 but up 2 percentage points from the 14 percent level attained in 1963. Exports in 1965 accounted for over half of the U.S. production of wheat, milled rice, dried edible peas, and soybeans. Exports of nonfat dried milk, tallow and hops were over 40 percent of U.S. production. Almost one-third of the production of dried prunes and cottonseed was exported.

Exports to the European Common Market Advance. U.S. agricultural exports to the European Economic Community (EEC) were \$1,371 million (preliminary) in fiscal year 1965 compared with \$1,333 million a year earlier, a 3 percent gain. Exports of commodities subject to EEC variable levies as well as those not subject to levies increased at this rate. Exports of the variable levy commodities totaled \$463 million compared with \$449 million a year earlier. A \$100 million rise in feed grain exports was more than half offset by a decline in wheat exports and further whittled down by smaller declines in other items.

Exports of commodities not subject to variable levies totaled \$908 million (preliminary) compared with \$884 million in fiscal year 1964. The substantial gains in exports of soybeans, protein meal, vegetable oils, and variety meats were nearly offset by a substantial decline in cotton exports. This decline was caused by the large free world production, working down of stocks, decline in consumption in some countries, expansion of synthetic fiber production, and large EEC imports of cotton textiles. Export expansion of soybeans, protein meal, vegetable oil and tallow has been stimulated by reduced olive oil production in the Mediterranean Basin. Demand for protein meal increased because of the expanding livestock industry and limited hay and pasture output in the EEC.

Agricultural Exports Help U.S. Balance of Payments. Although the U.S. balance of payments improved during the second quarter of 1965, the payments problem continues to be of major concern. The problem would be much worse were it not for the significant contribution made by U.S. agricultural exports. During 1960-64 (calendar years), the value of total U.S. agricultural exports rose from \$4.8 billion to a record peak of \$6.3 billion, an increase of 31 percent. Most of this gain came from commercial sales. Almost 75 percent of total U.S. agricultural exports are sold for dollars. Besides U.S. exports of agricultural commodities for dollars, there are also imputed dollar earnings (and dollar repayments on prior Title IV P.L. 480 credits) arising from U.S. agricultural exports under Government programs. The contribution of these exports to the strengthening of the U.S. balance-of-payments position may be measured in terms of exports of U.S. farm products for dollars, as well as certain imputed dollar earnings. Commercial sales of agricultural products, in 1964 including the imputed dollar earnings and repayments totaling \$327 million arising from agricultural exports under Government programs, totaled \$4,916 million, up 41 percent from 1960. Further expansion of exports, including U.S. agricultural shipments, is high on the list of measures advocated to correct the balance-of-payments problem.

U.S. Agricultural Export Shares by Regions and States, Fiscal Year 1964. Percentage shares of each Region and State in the national production of major farm commodities or commodity groups were estimated. These percentages were applied to agricultural exports of the same commodities or commodity groups. Export shares, by commodities, Regions and States, were further broken down into Government Programs and Commercial Sales for Dollars. Illinois with \$504 million had the highest agricultural export share. Texas, with \$484 million followed closely and California, with \$421 million ranked third.

C. World Agricultural Trade Statistics. Preparatory work continued with a view to publication of commodity-by-country and country-by-commodity tabulations of the exports and imports of the world's leading trading countries. This project will present total agricultural trade broken down into approximately 155 commodities and will concentrate on about seventy countries which account for about 90 percent of world trade. Special attention will be given to data summarized by trade blocs, such as EEC, the Latin American Free Trade Association, etc.

U.S. Agriculture's First Year Under EEC Variable Import Levies. European import and other pertinent statistics were presented and analyzed in a study of U.S. Agriculture's First Year Under EEC Variable Import Levies. The record of the calendar year 1963, after the effects of stock increases in anticipation of the mid-1962 imposition of levies and of reduction in these increased stocks had largely been consummated, was compared with that of 1961. Sharp declines in imports of wheat, flour, and poultry were more than offset by increases in feed grain imports from the United States. Imports of non-variable levy commodities gained 1 percent.

D. Exports under Food for Peace (Government-financed) Programs and Exports for Dollars. Exports under Food for Peace Programs in fiscal year 1965 totaled \$1,670 million, only slightly above those during the preceding year. These exports averaged \$1.6 billion a year during 1961-65 with little annual variation. In 1965, they represented 27 percent of total exports of farm products compared with 26 percent a year earlier. Annual exports under Government-financed programs in recent years were about \$0.2 billion larger than the 1956-60 average. Program shipments during the fiscal year 1955 were at a lower level reflecting what might be called the gestation period of the program. Food for Peace exports totaled \$16 billion compared with a total of \$35 billion of farm exports for dollars during the 11-year period since P.L. 480 was enacted. The Food for Peace exports have promoted economic growth in the less-developed countries hastening the day when these countries will become partners in commercial trade.

Exports for dollars doubled from an average annual rate of \$2.2 billion in 1955 and 1956 to the average annual of \$4.5 billion level attained in 1964 and 1965.

Export Payment Assistance to U.S. Agricultural Exports. Of the total \$4,426 million farm products exported for dollars in fiscal year 1965, over 20 percent received the assistance of export payments compared with 30 percent in 1964. A decline in dollar shipments of wheat and cotton, which received export payments, accounted for the smaller proportion of assisted dollar exports in 1965. Program exports receiving export payments accounted for 68 percent of the total in 1965 compared with 58 percent a year earlier. Export payments amounted to about \$500 million in fiscal year 1965 compared with more than \$800 million in 1964. Smaller exports of wheat and cotton and lower export payment rates largely accounted for the difference. During the 11-year period, fiscal years 1955 through 1965, 43 percent of U.S. agricultural exports have been unassisted commercial sales for dollars, 26 percent dollar sales with the assistance of export payments, and the remaining 31 percent, program exports.

Revaluation and Retabulation of Title II Donations. Available reports of shipments under the Title II donations program include values at full reimbursement cost to CCC, reported by date of recording in the Fiscal Division of the Agricultural Stabilization and Conservation Service. To overcome the difficulties encountered in the preparation of reports of exports under Government programs because of the noncomparability of Title II shipment

data with reports of exports from the Bureau of the Census, the revaluation of these shipments at estimated export market value and retabulation by date of export was undertaken for the 10 years 1955-64. This work is now completed for the ten fiscal years since enactment of P.L. 480 and is being prepared for publication. The calendar year data are nearly completed and will also be published. This revaluation will eliminate the numerous instances in which program shipments seemed to have exceeded total exports to a country because of the former valuation at full reimbursement cost to CCC.

E. Analysis of World Agricultural Prices. Time series of the variable import levies imposed under the Common Agricultural Policy of the European Economic Community (EEC) have not been formally published in Europe. In view of this, monthly averages of the levies for the 7 principal grains in the 6 EEC member countries were published. The fluctuation of these levies was remarkably small. Standard deviations ranged from \$2.03 to \$6.32 per metric ton for all series except durum wheat. Correlations of levies with c.i.f. prices and with threshold (EEC levy-paid entry prices) showed a greater dependence of the levies on the seasonal escalation of EEC threshold prices than on the fluctuations of c.i.f. (world market) prices.

The uniform grain price schedule adopted by the EEC last December to be effective in mid-1967 revealed concessions in favor of international trade compared with immediately preceding expectations. These concessions may help to mitigate the damaging effect of grain price unification to the export trade of the United States. In view of the French departure from the EEC negotiations in July the outlook now is less clear than it seemed during the period between December 1964 and July 1965. Specific problems are: (1) The future role of shipments of wheat, denatured for feed use, in intra-EEC trade and (2) the relative competitive position of nonmember exporting countries, notably the United States, and of France in the large and growing Italian feed grain market. EEC plans call for an Italian feed grain price level substantially below the otherwise unified level from mid-1967 until mid-1972; but French exports to that market would be subsidized by the difference between the unified price and the Italian price.

An integrated system of price and quantity index numbers of U.S. agricultural exports and imports was developed to a stage at which the reactivated Computer Center of the Statistical Reporting Service will be able to turn out the computations.

An analysis of price developments published in the 1965 World Agricultural Situation at the beginning of the year generally emphasized price recovery since mid-1964; the decline of sugar prices was the most notable exception. Since that time, the level of world agricultural prices has declined significantly.

F. Estimation of Costs and Benefits of Agricultural Protectionism. Under the Minnesota contract, economic models were built which aimed at estimating the cost of protection of grain production in the United Kingdom and of the feed-grain economy in West Germany. Investigations under that contract continue.

G. Other. Services performed during the year included periodic briefings on the U.S. agricultural trade situation to key personnel in the Economic Research Service and the Foreign Agricultural Service. Information in regard to exports and/or imports was furnished for inclusion in the President's Report to Congress on the operation of P.L. 480, the Handbook of Agricultural Charts, Agricultural Statistics, the Statistical Abstract of the United States and in publications of international organizations. Special reports were furnished the Office of Food for Peace, the Foreign Agricultural Service, and the Economic Research Service for various uses.

The Branch participated in the work of the Budget Bureau Interagency Advisory Committee on Foreign Trade Statistics, including assistance in the establishment of new Census Bureau foreign trade commodity classification systems.

AREA NO. 4--TRADE STATISTICS AND ANALYSIS
PUBLICATIONS

- (1) DeBlois, Eleanor N. "Commercial Sales Dominated Agricultural Exports in Fiscal Year 1963-64". Foreign Agricultural Trade of the United States, Nov.-Dec. 1964. (Reprinted as ERS-For.-107, 16 pp.).
- (2) _____. "Export Payment Assistance to U.S. Agricultural Exports, Fiscal Year 1963-64". Foreign Agricultural Trade of the United States, May 1965. (Reprinted as ERS-For.-126, 16 pp.).
- (3) _____. "Dollar Sales to Europe and Asia Led \$1 Billion Increase in Fiscal 1963-64 Exports". Foreign Agricultural Trade of the United States, June 1965. (Reprinted as ERS-For.-130, 16 pp.).
- (4) _____. "Increased Dollar Sales Brought Agricultural Exports to Alltime High in 1964". Foreign Agricultural Trade of the United States, Aug.-Sept. 1965. (Reprinted as ERS-For.-140, 22 pp.).
- (5) Hirsch, Hans G. "The Uniform Grain Price in the European Economic Community". Foreign Agricultural Trade of the United States, Feb. 1965. (Reprinted as ERS-For. 110, 11 pp.).
- (6) _____. "The Fluctuation of EEC Variable Levies". Foreign Agricultural Trade of the United States, Aug.-Sept. 1965. (Reprinted as ERS-For.-141, 28 pp.).
- (7) Rahe, Dewain H., and Angelidis, Alex D. "Worldwide Markets for U.S. Farm Products, Calendar Year 1963". Foreign Agricultural Trade of the United States, Oct. 1964, 29 pp.
- (8) _____. "U.S. Agricultural Imports by Origin, Calendar Years 1958-63." Foreign Agricultural Trade of the United States, Jan. 1965, 30 pp.
- (9) Rahe, Dewain H. "U.S. Agricultural Exports Rose to a Record \$6.2 Billion in 1964." Foreign Agricultural Trade of the United States, Feb. 1965. (Reprinted as ERS-For.-111, 5 pp.).
- (10) _____. "Exports to Europe and Asia and Imports from Latin America Expanded U.S. Foreign Agricultural Trade in 1963-64 over 1962-63". Foreign Agricultural Trade of the United States, Mar.-Apr. 1965, 53 pp.
- (11) _____. "U.S. Agricultural Imports Gained 2 Percent in Calendar 1964". Foreign Agricultural Trade of the United States, June 1965, 12 pp.
- (12) _____. "U.S. Agricultural Exports in Fiscal Year 1964-65 Totaled A Record \$6.1 Billion for Second Consecutive Year". Foreign Agricultural Trade of the United States, Aug.-Sept. 1965. (Reprinted as ERS-For.-142, 8 pp.).

- (13) Tontz, Robert L., and Rahe, Dewain H. "U.S. Agricultural Export Prospects for Fiscal Year 1964-65". Foreign Agricultural Trade of the United States, Nov.-Dec. 1964, 6 pp.
- (14) _____, and Angelidis, Alex D. "U.S. Agricultural Export Shares by Regions and States, Fiscal Year 1963-64". Foreign Agricultural Trade of the United States, Nov.-Dec. 1964. (Reprinted as ERS-For.-106, 21 pp.).
- (15) Tontz, Robert L. "U.S. Foreign Agricultural Trade: A Perspective". Foreign Agricultural Trade of the United States, Jan. 1965. (Reprinted as ERS-For.-109, 19 pp.).
- (16) _____, Henderson, Harry W., and Spears, McGehee H. "Agricultural Exports Help Balance of Payments". Foreign Agricultural Trade of the United States, July 1965. (Reprinted as ERS-For.-133, 6 pp.).
- (17) Turns, Jane R., and Lacey, Marie L. "U.S. Trade with the European Economic Community". Foreign Agricultural Trade of the United States, July 1965. (Reprinted as ERS-For.-132, 12 pp.).
- (18) Warden, Thomas A. "U.S. Agriculture's First Year Under EEC Variable Import Levies". Foreign Agricultural Trade of the United States, June 1965. (Reprinted as ERS-For.-134, 17 pp.).
- (19) Foreign Agricultural Trade of the United States. "Export Highlights," "Import Highlights," and "Digests of Foreign Agricultural Trade of the United States." Oct. 1964-Sept. 1965. Average 34 pp. 9 issues.
- (20) _____. "U.S. Foreign Agricultural Trade by Countries, Calendar Year 1963." Supplement. Oct. 1964, 89 pp.
- (21) _____. "Export Fact Sheet, Fiscal Year 1963-64". Nov.-Dec. 1964. (Reprinted as ERS-For.-108, 5 pp.).
- (22) _____. "Import Fact Sheet, Fiscal Year 1963-64". Nov.-Dec. 1964. (Reprinted as ERS-For.-108, 6 pp.).
- (23) _____. "U.S. Foreign Agricultural Trade by Commodities, Fiscal Year 1963-64". Supplement. Dec. 1964, 41 pp.
- (24) _____. "Exports Compared with Imports, 1962 and 1963", Feb. 1965, 3 pp.
- (25) _____. "Exports Compared with Imports, Fiscal 1963-64", Mar.-Apr. 1965, 3 pp.
- (26) _____. "Government Program Export Highlights", Mar.-Apr. 1965, 9 pp.: July 1965, 10 pp.: and Aug.-Sept. 1965, 9 pp.
- (27) _____. "U.S. Foreign Agricultural Trade by Countries, Fiscal Year 1963-64. Supplement. Apr. 1965, 87 pp.

(28) _____. "Imports of Fruits and Vegetables Under Quarantine, Fiscal Year 1963-64," May 1965, 13 pp.

(29) _____. "Exports Compared with Imports, 1962 and 1964," June 1965, 3 pp.

(30) _____. "U.S. Foreign Agricultural Trade by Commodities, Calendar Year 1964," Supplement. Aug. 1965, 41 pp.

Line Project Check List--Reporting Year October 1, 1964 to September 30, 1965

Work and Line Project Number	Work and Line Project Titles	Work Locations During Past Year	Line Proj. Incl. in	
			Summary of Progress	Area and Subheading
DTA 1	Foreign Economic Development Research	Washington, D.C.	Yes	1-A,B,C,D,E
DTA 1-1	Analyses of the Role of Agriculture in Foreign Economic Development and Growth	Washington, D.C.	Yes	1-A
DTA 1-3	Analysis of Ways of Increasing Farm Productivity to Meet World Food Needs	Washington, D.C.	Yes	1-C,E
DTA 1-4	Effects of Foreign Economic Development on Demand for U.S. Farm Products	Washington, D.C.	Yes	1-B,D
<u>1/</u>	Role of Technology in Increasing Agricultural Output and Productivity in Less Developed Countries with Particular Emphasis on Fertilizer	Washington, D.C.	Yes	1-E
<u>1/</u>	Institutional and Cultural Conditions Affecting Growth in Agriculture in Underdeveloped Countries	Washington, D.C.	Yes	1-C
(DTA-0-0-1-(AID))	Factors Associated with Differences and Changes in Agricultural Production in Underdeveloped Countries	Washington, D.C.	Yes	1-F
<u>1/</u>	Factors Associated with Differences and Changes in Agricultural Production in Taiwan	Taiwan	No	1-F
<u>1/</u>	Factors Associated with Differences and Changes in Agricultural Production in Greece	Greece	No	1-F
<u>1/</u>	Factors Associated with Differences and Changes in Agricultural Production in Mexico	Mexico	No	1-F
S5-ERS-2(a)	Marketing Rice in Colombia	Bogota, Colombia	Yes	1-G
S5-ERS-3(k)	Economic Aspects of the Production, Marketing and Utilization of Corn and Other Feed Grains in Colombia	Medellin, Colombia	Yes	1-G
E8-ERS-1(k)	The Relation of Management and Planning to Success in Farming	Helsinki, Finland	Yes	1-G
E8-ERS-2(k)	Study of the Economics of Alternative Use of Land for Agriculture and Forestry	Helsinki, Finland	Yes	1-G
A10-ERS-1(k)	Social Factors Which Promote or Impede Changes in Agriculture Organization and Production	Hebrew University Jerusalem	Yes	1-G
A10-ERS-2(k)	Evaluation of Long-Term Programs for Agriculture with Respect to Requirements and Supply of Capital	Hebrew University Jerusalem, Israel	Yes	1-G
A10-ERS-3(k)	Quantitative Analysis of Optimal Water Resource Development and Allocation	Hebrew University Jerusalem, Israel	Yes	1-G
A10-ERS-4(k)	Comparative Analyses of Processes of Agricultural Development and Modernization in Israel	Hebrew University Jerusalem, Israel	Yes	1-G
A10-ERS-9(k)	Methods of Compilation of Agricultural Statistics in Israel	Hebrew University Jerusalem, Israel	Yes	1-G
S25-ERS-1(k)	Food Consumption in Relation to Family Income in the Rural Population in Spain	Madrid, Spain	Yes	1-G
A18-DTA-1(a)	Economic Analysis of the Effects of Philippine Economic Development on the Demand for U.S. Farm Products, Proj. No. 311343-54	Manila, Philippines	Yes	1-G <u>2/</u>

Line Project Check List--Reporting Year October 1, 1964 to September 30, 1965

Work and Line Project Number	Work and Line Project Titles	Work Locations During Past Year	Line Proj. Incl. in	
			Summary of Progress	Area and Subheading
A7-ERS-11(k)	A Study of the Impact of Changing Conditions on Grain Marketing Institutions and Structure of Grain Markets	Punjab, India	Yes	1-G
A7-ERS-12(k)	Evaluation of the Impact of Land Reforms on the Structure of Land Holdings and Farm Production Potentials	Punjab, India	Yes	1-G
A17-ERS-2(k)	Income Elasticity of Demand for Food Under Progressing Stages of Agricultural Development in Pakistan	Karachi, Pakistan	Yes	1-G
DTA-2	Foreign Economic Export Programs Research	Washington, D.C.	Yes	2-A
A7-DTA-1(a)	Analysis and Assessment of the Effectiveness of Title I, P.L. 480 Operations in India	Poona, India	Yes	2-A
A22-DTA-1(a)	Analysis and Assessment of the Effectiveness of Title I, P.L. 480 Operations in Turkey	Ankara & Istanbul, Turkey	Yes	2-A
E11-DTA-1(a)	Analysis and Assessment of the Effectiveness of Title I, P.L. 480 Operations in Greece	Athens, Greece	Yes	2-A
E25-DTA-1(a)	Analysis and Assessment of the Effectiveness of Title I, P.L. 480 Operations in Spain	Madrid, Spain	Yes	2-A
S5-DTA-1(a)	Analysis and Assessment of the Effectiveness of Title I, P.L. 480 Operations in Colombia	Bogota and Medellin, Colombia	No	3/
DTA 3	International Monetary Research	Washington, D.C.	Yes	3-A,B,C,
DTA 3-1	Analysis of the Role of Agricultural Credits in the Development of the Agricultural Economy of Foreign Countries	Washington, D.C.	Yes	3-C
FDT 3-2 1/	P.L. 480 Transactions Entering the U.S. Balance of Payments	Washington, D.C.	Yes	3-B
FDT 3-3 1/	Analysis of the External Financial Position of P.L. 480 Recipient Countries	Washington, D.C.	Yes	3-A
DTA 4	Trade Statistics and Analysis	Washington, D.C.	Yes	4-A,B,C,D, E,F
DTA 4-1	Analysis of U.S. Agricultural Trade	Washington, D.C.	Yes	4-A,B
DTA 4-2	Trade Analysis and Development of World Statistics on International Trade	Washington, D.C.	Yes	4-C
DTA 4-3	Exports Under Food-for-Peace (Government-financed) Programs	Washington, D.C.	Yes	4-D
DTA 4-4	Analysis of World Agricultural Prices	Washington, D.C.	Yes	4-E
DTA 4-5 (Gr.)	Estimation of Costs and Benefits from Agricultural Protectionism in the Atlantic Community and Development of International Trading Arrangements Designed to Reduce Conflicts Between Domestic Agricultural Support and Foreign Trade in Livestock and Grain Products	Minneapolis, Minnesota	Yes	4-F
FDT 4-6 1/	Factors and Developments Affecting U.S. Agricultural Exports to the EEC	Washington, D.C.	No	4-E
FDT 5 1/	International Trade Developments and Problems	Washington, D.C.	Yes	3-D,E
FDT 5-1 1/	Statistical Analysis of Changes in Export Prices of Major Agricultural Commodities Entering World Trade	Washington, D.C.	Yes	3-D
FDT 5-2 1/	Potential Meat and Grain Trade of the EEC	Washington, D.C.	Yes	3-E

Line Project Check List--Reporting Year October 1, 1964 to September 30, 1965

Work and Line Project Number	Work and Line Project Titles	Work Locations During Past Year	Line Proj. Incl. in	
			Summary of Progress	Area and Subheading
FDT 5-3 <u>1</u> /	Research on Import Demand for Oilseeds and Oilseed Products in Countries of the European Economic Community	Göttingen, Germany, EEC countries & Washington, D.C.	Yes	3-E
FDT 5-4 <u>1</u> /	Effects of Current Changes in the Livestock and Grain Economy of France on Foreign Trade Patterns	Paris, France	Yes	3-E
FDT 5-5 <u>1</u> /	Effects of Changing Price and Production Conditions in the Countries of the European Economic Community on Agricultural Output	Michigan State University West Germany & Italy	Yes	3-E

1/ Project pending approval.

2/ Expired May 1965.

3/ Discontinued April 1965.



